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9 OCT 1958

MEMORANDUM FOR: Deputy Director (Support)

25X1A9a

ATTENTION : Mr. [REDACTED]

SUBJECT : Effect of Potential 2% Cut in Personnel Strength
on the Office of the Comptroller

1. The workload of each of the components of this Office has increased steadily over the past several years. The number of personnel alone who are payrolled has increased roughly 28% since 1954. There have been corresponding increases in related financial services, changed government procedures, and reports required both by and from the Agency. It is believed reasonable to assume that the latter demands will continue to increase for some time to come.

*only new
financial
data*

2. Notwithstanding these substantial increases in our workload, our over-all personnel strength has not increased during the past several years. Mechanization, streamlining of operations, and increased efficiency in general has enabled us to accomplish this increased work without a corresponding increase in personnel. Whether this course of action will permit us to cope with the continuing increases in our workload is problematical. We are reasonably certain, however, that any reduction in our personnel strength could result only in a lessening of the financial services now provided the Agency.

3. We should like to further point out that even if an over-all reduction is accomplished on an Agency-wide basis, from the workload standpoint the last office which would undoubtedly feel the effect of such a reduction would be the Office of the Comptroller. This is due to the fact that our payroll and related payment functions would materially increase initially during the period of any mass retrenchment or release of personnel.

4. Comments and statistics from each of the Comptroller components relative to this matter are attached for your information and consideration. Kindly advise in the event any clarification or additional information is desired.

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[REDACTED]
Deputy Comptroller

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Attachments

EAM:epf Distribution: O&I - Addressee ✓ 1 - Signer

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TAS

Comptroller

6 October 1958

Chief, Technical Accounting Staff

Effect of Potential Two Percent Cut in Staffing
on TAS

1. Pursuant to your request we have reviewed the work requirements of this Staff to determine the effect of a potential two percent reduction in the staffing.

2. The present approved positions assigned to this Staff comprise

Stenographer assigned to the FAS is detailed to this Staff on a part-time basis.

3. In the case of a small component like TAS, the effect of a reduction is much more difficult to sustain than it would be to a larger organizational segment as the cut of one position, which is the minimum, would represent a reduction of more than seven percent.

4. Assuming such a cut were made in the complement of TAS, certain important staff project assignments would have to be deferred, abandoned or accomplished by assignment to other components. TAS is currently in process of performing many projects of substantial importance, each of which should be expedited as much as possible. All of the projects currently in process are covered in the Staff Project Assignment Report (green binder) as of 31 August which has been transmitted to you. For your convenience, some of the more important are listed below:

a. Recasting of regulations and handbooks in 30, 32 and 34 series, and under a special request of the DD/S those in the 22 series.

b. Assistance in implementing procedural changes under the F.M.I. Program.

c. Full time assignment of one Staff member to the Management Staff Feasibility Team.

d. Review of functions of Budget and Fiscal Officers to establish uniform Statement of Functions.

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Comptroller

6 October 1958

Chief, Financial Analysis Staff

Effect of a 2% Reduction in Personnel Strength

25X9A2 FAS, because of the nature of the work, was set up as a small Staff and assigned a T/O of [REDACTED] From the beginning, we have attempted to carry out assignments with a minimum of personnel. A 2% reduction in this Staff works out to [REDACTED] an obvious impossibility. A reduction of [REDACTED] would seriously curtail projected activities, would necessitate a revision of the mission and would require the elimination of some of the responsibilities assigned to the Staff.

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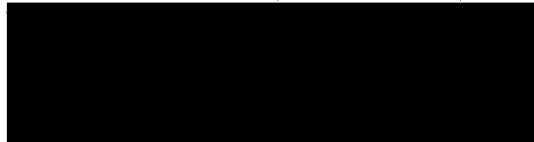
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e. Development and installation of procedure for GEHA to facilitate balancing of accounts.

f. Current service to special projects relative to accounting and fiscal matters.

g. Implementation of Type I and Type II FPA at all overseas and stateside field activities.

5. To assist you in accomplishing the objective of a two percent reduction it would seem that the only possible way that this staff could contribute without appreciably affecting the work program would be by a utilization of the clerical position which is partially detailed to this Staff to a greater extent by FAS or other Comptroller segments.



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Comptroller

8 October 1958

BUDGET

Chief, Budget Division

Effect of the 2 Per Cent Reduction in Personnel

Over the course of the last several years and as the result of direct pressure for additional information, particularly from the Bureau of the Budget, and also in order to provide better support in responding to inquiries from the House Appropriations Committee, the budget of the Agency has been supported in considerably greater detail and a wide variety of additional analyses have been developed by the Budget Division. Some of the more notable of the increases has involved the complete development of a program budget, the institution of the regular government system of apportionments, the institution of personnel ceilings and monitoring them in relationships with the Bureau of the Budget, the institution of a system of preliminary estimates and operating budget, the coordination through the preliminary estimates and operating budget of the Agency budget system and the clandestine planning system, and the reconciliation of the Agency accounting reports with budget submissions. These increases have been accomplished without any increases in personnel. The only other function carried on, other than the ultimate budget functions, is the special review of proprietary projects. Approximately 72 per cent of the funds going to these proprietary projects has been given special attention by the Budget Division and every effort has been made to increase the completion of these projects with the ultimate of 100 per cent of all proprietaries were reviewed first, many small ones are involved in the residual 28 per cent of funds which have not as yet been covered. Reductions in the Budget Division could not be accomplished unless reductions in work assignments could be made. In view of the fact that in the regular budget work the majority of assignments is the direct result of requirements from outside the Agency, the only possible reduction which could take place would be in the review of proprietary projects and the weakening of financial control on those projects from a financial point of view. It is my view that these controls should be strengthened rather than weakened as a matter of protection of Government funds.

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Comptroller

3 October 1958

Chief, Fiscal Division

Positions Strength - Fiscal Division

FISCAL

1. With reference to the suggestion of a two percent reduction in personnel as discussed Thursday morning, it is considered that further reductions in the Fiscal Division would not be advised in view of the continuing increase of work which must be performed.

2. The Division began the FY 1954 with a T/O of [REDACTED] positions including [REDACTED] in the Payroll Branch and began the FY 1958 with [REDACTED] positions including [REDACTED] in the Payroll Branch. There are no [REDACTED] positions with [REDACTED] the Payroll Branch.

3. Most of the reduction in positions has occurred in Payroll and may be attributed to machine applications; however, the great increase in the number of employees on the vouchered payrolls must also be considered. It is not recommended that any further reduction of positions in that area be contemplated at this time.

4. There is attached a tabulation showing for each of the Fiscal Processing, Claims, and Travel Branches, how the work has increased over the years and continues to increase, and the positions in each Branch, by fiscal years.

5. It is recommended that the positions of the Division be increased by two, one in each of the Fiscal Processing and Travel Branches.

Attachment:



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Comptroller

6 Oct. 1958

Chief, Machine Records Division

Justification for Retention of Present Personnel

The Machine Records Division workload is governed by the demands placed upon it by the several components it services.

Since 1952 there has been a substantial increase in the number of employees in the Agency, which has resulted in increased demands on this Division in personnel accounting, payroll operations, financial accounting, stock accounting, and other records vital to the needs of the Agency.

Additional demands are being made at the present time such as the mechanization of insurance accounting, foreign service data for retirement actuarial studies, and the Language Development Program.

Following are several examples of increased workloads and demands on the Division as stated above:

1. Accounting Branch

Number of line items machine processed yearly has increased from 257,314 in 1953 to 398,592 in 1958. This is an average of 28,200 each year.

2. Vouchered Payroll Branch

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Number of employees payrolled has increased [REDACTED] since the conversion to partial machine processing in 1952. Since then the payroll operation has been completely mechanized including the leave processing, bond recording, and voucher back up sheets. Additional considerations in payroll processing under the mechanized system includes D. C. Withholding Tax, and Federal Employees Group Life Insurance deductions.

3. Unvouchered Payroll Branch

A machine prepared Earnings Statement submitted to the Staff Agents which is more easily understood has resulted in less inquiries to the Finance Division Payroll Branch. This improvement is being extended to the Staff employees of the Agency.

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This Division has at the present time 3 Tabulating Machine Operators above the number allotted on the T/O. Two of these were recommended by the Management Staff Study to replace employees in EDPM training. With the addition of these employees, and the completion of the retroactive pay requirement, fiscal year requirement, and the end of summer vacations, the division has managed to reduce the amount of overtime necessary to meet the schedules.

Any reduction in the number of employees in this division will result in curtailment of services, or additional overtime requirements.

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